Consumer Confidence Survey

E4105-4

- Business
- Employment
- Income
- Inflation
- Interest Rates
- Stock Prices

March 1990

CONSUMERS LESS CONFIDENT ABOUT THE FUTURE

The Consumer Confidence Index (1985 = 100) registered 105.4 in February, down an insignificant point from the previous survey. However, people are markedly less optimistic than earlier in their expectations for the months ahead. Still, on questions concerning the present situation, consumers are now more positive than in the prior probe. Buying plans are mixed.

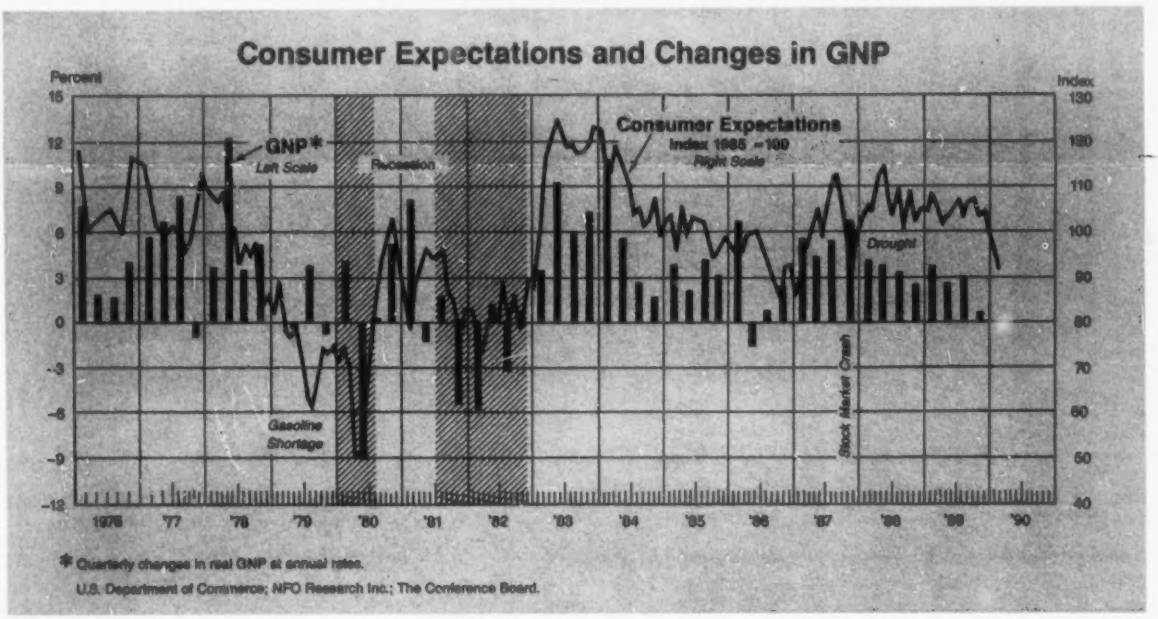
Asked to evaluate ongoing business conditions, close to 25% of all respondents say that they are "good," up from 23% in January. On the issue of current job availability, opinion was marginally more positive than in the month before.

However, in looking ahead to the next six months, more consumers than previously fear that the general business situation will worsen, fewer expect it to improve. Respondents are also increasingly apprehensive about the job outlook. In the latest survey, fewer respondents than before expect "more" jobs to become available, but a rising number are concerned that there will be "fewer". In fact, pessimists outnumber optimists on this issue, 17.5% as compared with 13.8 percent. Similarly, concerning their anticipated personal fortunes, fewer respondents than last time expect their incomes will increase in the immediate period ahead—25.6%, down from 28.7 percent.

Intentions to buy a car, which had improved in the two preceding months, remained substantially unchanged in February at 7.6 percent. Home buying plans increased in the most recent probe, from 3.6% to 3.9 percent, following comparable gains in each of the two preceding months. Plans to purchase a major appliance were off fractionally in February.

Although the overall measure of confidence did not change very much in February, the consumer's increasing ambivalence about the immediate future is of some moderate concern. This component of the Index has registered fairly sizeable losses in the past two months. It is still a bit difficult to account for the consumer's growing uneasiness, but apprehension about jobs appears to be a major factor. Pessimists have outnumbered optimists on this issue now for two consecutive months. There was a particularly large increase in concern about future job prospects reported in the Middle Atlantic states, perhaps reflecting the recent widely publicized layoffs on Wall Street.

Fabian Linden



Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

Business | Employment | Income

All series seasonally adjusted	1989 *Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	1990 *Jan(r)*	*Feb.(p)*
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	120.7	117.4	116.6	116.7	117.2	120.4	115.4	116.3	117.0	115.1	113.0	106.5	105.4
Present Situation	139.2	136.2	138.9	137.2	135.5	141.1	133.0	131.7	133.0	132.3	125.9	120.7	126.1
Expectations	108.3	104.9	101.8	103.0	105.1	106.6	103.7	106.1	106.4	103.7	104.4	97.0	91.6
Appraisal of Present Situation: Percent													
Business Conditions													
Good	30.6	28.4	28.9	30.1	28.3	31.6	27.5	27.1	28.0	26.2	25.1	22.7	24.6
Bad	16.9	16.1	16.4	16.5	17.2	15.5	17.4	16.9	16.9	15.2	17.3	18.9	18.0
Normal	52.5	55.5	54.7	53.4	54.5	52.9	55.1	56.0	55.1	58.6	57.6	58.4	57.4
Employment													
Jobs plentiful	34.3	32.8	34.5	34.1	33.2	33.1	31.6	30.4	30.4	29.6	27.0	27.2	27.8
Jobs not so plentiful	45.8	46.7	45.7	44.8	46.4	47.6	48.1	48.9	49.4	49.7	52.4	51.2	51.8
Jobs hard to get	19.9	20.5	19.8	21.1	20.4	19.3	20.3	20.7	20.2	20.7	20.6	21.6	20.4
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	20.9	17.9	17.3	20.7	20.1	18.8	18.3	18.3	19.5	17.6	18.3	17.0	15.8
Worse	7.3	8.0	8.8	8.9	8.7	8.4	8.3	7.5	7.9	8.3	8.1	9.7	11.6
Same	71.8	74.1	73.9	70.4	71.2	72.8	73.4	74.2	72.6	74.1	73.6	73.3	72.6
Employment													
More jobs	17.0	15.9	15.4	18.9	17.9	18.6	17.2	17.4	17.3	16.1	16.6	14.6	13.8
Fewer jobs	12.8	12.7	13.1	15.6	14.2	13.2	14.3	13.8	13.7	14.0	14.9	16.8	17.5
Same	70.2	71.4	71.5	65.5	67.9	68.2	68.5	68.8	69.0	69.9	68.5	68.6	68.7
Income													
Increase	26.3	25.2	25.8	26.5	27.0	27.3	26.1	28.5	27.7	29.3	30.2	28.7	25.6
Decrease	6.3	6.1	7.0	8.1	6.7	6.8	6.6	6.6	6.3	6.3	5.9	6.1	6.3
Same	67.4	68.7	67.2	65.4	66.3	65.9	67.3	64.9	66.0	64.4	63.9	65.2	68.1
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.9	7.1	7.3	8.5	6.7	7.1	7.4	8.1	6.7	6.9	7.1	7.5	7.6
New	3.8	4.0	4.0	4.0	3.6	3.6	4.2	3.6	3.7	3.2	3.3	4.1	3.2
Used	3.2	2.7	2.7	3.2	2.5	2.4	2.6	3.3	2.2	2.9	2.8	3.0	3.4
Uncertain	0.9	0.4	0.6	1.3	0.6	1.1	0.6	1.2	0.8	0.8	1.0	0.4	1.0
Home													
Yes	2.9	3.1	3.2	3.4	3.3	3.7	3.5	3.1	3.3	3.0	3.3	3.6	3.9
New	1.0	0.7	1.0	0.9	0.6	1.1	1.1	0.9	1.0	1.1	0.8	0.9	1.1
Lived in	1.2	1.5	1.5	1.4	1.8	1.8	1.6	1.4	1.4	1.5	1.7	1.9	1.7
Uncertain	0.7	0.9	0.7	1.1	0.9	0.8	0.8	0.8	0.9	0.4	0.8	0.8	1.1
Major appliances													
Total plans	26.2	28.4	31.6	27.4	26.8	30.5	28.3	27.4	31.1	25.7	28.8	30.8	30.0
Refrigerator	4.9	4.3	5.4	4.5	4.6	4.4	4.0	4.1	4.7	3.8	4.1	5.2	4.3
Washing machine	3.2	4.2	4.2	3.1	3.4	4.5	3.9	3.5	4.8	3.7	4.4	3.8	4.3
TV Set	5.8	6.4	7.0	6.8	5.3	8.0	6.9	6.6	7.5	6.2	7.9	7.0	7.5
Vacuum Cleaner	4.2	4.9	4.7	5.2	5.0	4.8	5.8	4.7	4.9	4.6	5.0	5.6	4.8
Range	2.6	2.5	3.5	2.8	2.5	3.3	2.5	2.4	3.3	2.8	2.3	3.3	2.9
Clothes dryer	2.9	4.0	3.8	2.6	3.7	3.3	3.3	2.8	3.9	3.1	3.4	3.3	3.5
Air conditioner	2.6	2.1	3.0	2.4	2.3	2.2	1.9	3.3	2.0	1.5	1.7	2.6	2.7
Carpet	5.4	6.3	6.7	6.7	5.9	7.6	6.9	6.0	6.9	5.8	6.4	6.2	7.0
Vacation Intended Within Six Months: Percent													
Vacation Intended	45.3		46.8		45.7		50.2		49.0		52.4		49.1
Destination													
U.S.	41.1		38.6		40.8		42.8		41.8		44.4		42.1
Foreign country	8.8		8.1		8.4		9.4		8.6		9.5		9.1
Means of travel													
Automobile	27.0		26.8		27.7		30.1		28.9		29.6		28.1
Airplane	19.0		17.0		18.4		18.8		18.0		19.7		19.3
Other	4.4		4.1		4.5		4.0		4.2		4.9		4.3

(p)—preliminary (r)—revised

ATTENTION DATA USERS: Data in this publication are available online. For information, phone (212) 339-0216.

Not seasonally adjusted	1989 Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	1990 Jan.(r)	Feb.(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.8	4.8	5.1	4.9	4.7	4.8	4.7	4.7	4.8	4.7	4.7	5.2	4.8
Interest Rates													
Higher	71.8	79.9	76.4	69.9	57.3	52.4	44.9	52.4	56.0	52.1	49.0	47.2	52.0
Same	18.8	13.6	14.8	17.6	21.5	21.6	25.1	26.4	25.6	27.7	25.9	24.1	25.7
Lower	9.4	6.5	8.8	13.5	21.2	26.0	30.0	21.2	18.4	20.2	25.1	28.7	22.3
Stock Prices													
Increase	44.9	39.5	39.9	42.7	44.0	41.0	41.8	46.0	45.0	38.0	42.2	41.6	34.5
Same	33.5	34.3	35.9	33.3	34.6	34.9	34.7	32.7	33.3	36.9	34.9	35.1	35.7
Decrease	21.6	26.2	24.2	24.0	21.4	24.1	23.5	21.3	21.7	25.1	22.9	23.3	29.8

CONSUMER CONFIDENCE BY REGION

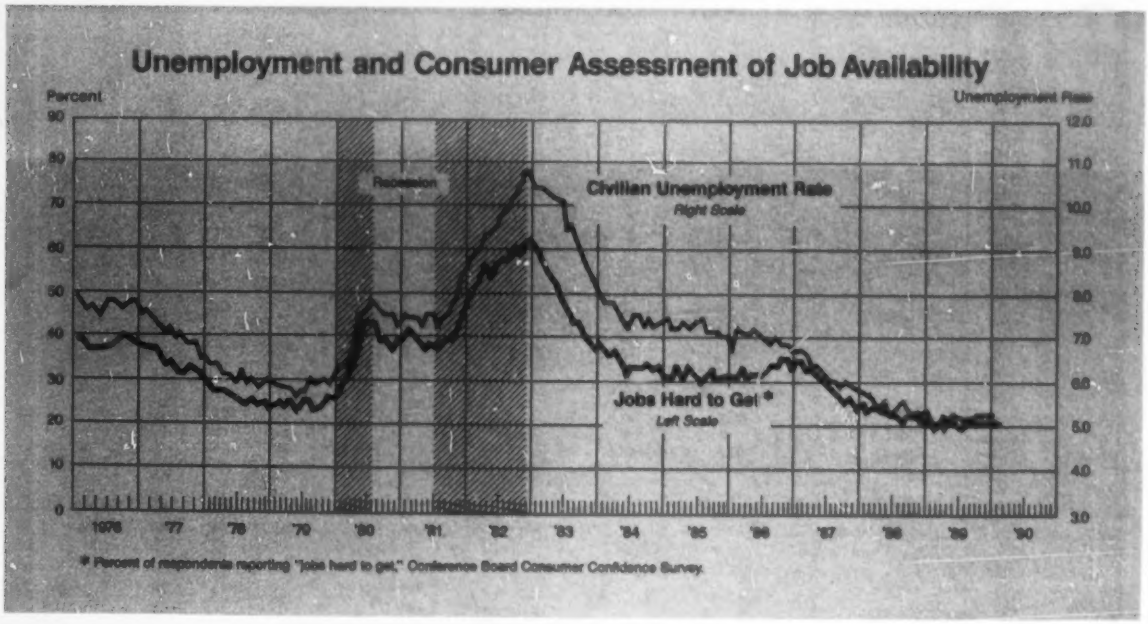
Seasonally unadjusted Index numbers:1985 = 100	1989 Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	1990 Jan.(r)	Feb.(p)	AVERAGE: Dec., Jan., Feb. 1989	1990	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	149.5	144.2	138.5	129.7	118.3	123.4	113.7	117.5	116.3	92.7	92.9	72.4	82.7	141.9	82.7	-41.7
Present Situation	203.7	199.5	198.3	189.4	180.0	183.9	170.0	176.7	168.2	129.8	130.3	101.3	110.9	199.6	114.2	-42.8
Expectations	113.4	107.3	98.7	89.9	77.2	83.2	76.2	78.1	81.8	67.9	68.0	53.2	63.9	103.5	61.7	-40.4
MIDDLE ATLANTIC																
Consumer Confidence Index	124.9	117.3	117.8	112.6	122.1	116.1	114.5	120.8	119.2	120.9	113.3	109.0	100.1	123.9	107.5	-13.3
Present Situation	153.4	142.6	150.7	137.8	155.9	150.1	144.5	149.8	151.1	151.9	144.2	128.7	123.7	154.8	132.2	-14.6
Expectations	105.8	100.4	95.9	95.8	99.5	93.4	94.5	101.5	98.0	100.2	92.8	95.9	84.4	103.3	91.0	-11.9
EAST NORTH CENTRAL																
Consumer Confidence Index	121.9	113.8	113.9	114.9	115.3	118.2	114.1	118.0	121.2	114.3	113.8	105.5	102.5	116.6	107.3	- 8.0
Present Situation	135.9	130.2	132.9	137.4	137.1	144.0	140.6	142.2	147.6	139.3	130.6	119.4	117.6	135.4	122.5	- 9.5
Expectations	112.6	102.9	101.2	100.0	100.8	101.0	96.4	101.9	103.6	97.6	102.7	96.2	92.5	104.1	97.1	- 6.7
WEST NORTH CENTRAL																
Consumer Confidence Index	100.3	102.2	89.4	80.4	84.5	97.7	93.7	91.6	113.0	112.5	103.0	95.7	94.8	97.5	97.8	0.3
Present Situation	91.6	99.9	101.0	94.2	95.5	118.5	101.1	110.9	131.1	122.9	122.1	102.8	101.9	100.5	108.9	8.3
Expectations	106.1	103.8	81.7	71.2	77.1	83.9	88.8	78.8	101.0	105.5	90.3	91.0	90.1	95.5	90.5	- 5.3
SOUTH ATLANTIC																
Consumer Confidence Index	134.5	137.0	134.0	133.7	140.1	141.6	136.9	136.5	140.2	140.3	124.9	124.6	122.6	133.2	124.0	- 6.9
Present Situation	167.0	170.7	171.9	165.3	172.8	178.2	170.6	166.6	174.1	174.8	157.3	147.7	147.7	169.9	150.9	-11.2
Expectations	112.9	114.6	108.8	112.6	118.4	117.2	114.5	116.5	117.6	117.3	103.3	109.3	105.9	108.8	106.1	- 2.4
EAST SOUTH CENTRAL																
Consumer Confidence Index	108.5	111.6	88.9	106.5	100.1	103.7	88.8	101.0	101.9	104.6	99.5	90.6	86.3	103.3	92.1	-10.8
Present Situation	89.7	100.2	92.2	114.4	94.8	95.2	82.1	100.2	102.6	99.0	90.0	79.1	79.1	96.9	82.7	-14.6
Expectations	121.1	119.2	86.7	101.2	103.6	109.5	93.3	101.6	101.4	108.3	105.8	98.3	91.2	107.6	98.4	- 8.5
WEST SOUTH CENTRAL																
Consumer Confidence Index	83.8	77.0	82.6	77.4	79.0	88.5	78.4	85.9	87.5	79.7	87.5	84.7	95.8	82.7	89.3	8.0
Present Situation	35.2	30.3	38.8	44.2	46.0	59.9	41.8	45.8	47.5	54.6	48.4	43.9	57.8	33.3	50.0	50.4
Expectations	116.2	108.2	111.8	99.5	100.9	107.5	102.9	112.7	114.2	96.4	113.5	112.0	121.1	115.7	115.5	- 0.1
MOUNTAIN																
Consumer Confidence Index	86.7	100.6	92.6	90.5	91.7	82.5	85.6	98.2	94.0	98.2	89.7	84.3	90.3	89.8	88.1	- 1.8
Present Situation	43.7	80.4	77.3	75.1	70.6	68.1	71.2	87.7	70.4	74.7	58.1	53.7	69.6	61.5	60.4	- 1.8
Expectations	115.4	114.2	102.8	100.8	105.8	92.1	95.3	105.3	109.8	113.9	110.8	104.7	104.1	108.6	106.5	- 1.9
PACIFIC																
Consumer Confidence Index	138.2	130.0	131.3	134.9	134.6	135.3	133.5	135.6	142.7	134.5	132.3	134.1	135.3	133.4	133.9	0.4
Present Situation	164.0	157.6	165.5	173.2	171.3	171.3	170.3	173.7	178.1	167.3	169.9	166.5	173.1	164.1	169.8	3.5
Expectations	121.1	111.6	108.5	109.4	110.1	111.3	109.0	110.2	119.1	112.7	107.3	112.6	110.1	112.9	110.0	- 2.6

***Percent Change:** Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers: 1985 = 100	1989 Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	1990 Jan (r)	Feb (p)	3 mos. Percent Change*
TOTAL U.S.														
Consumer Confidence Index	120.7	117.4	116.6	116.7	117.2	120.4	115.4	116.3	117.0	115.1	113.0	106.5	105.4	- 6.7
Present Situation	139.2	136.2	138.9	137.2	135.5	141.1	133.0	131.7	133.0	132.3	125.9	120.7	126.1	- 6.1
Expectations	108.3	104.9	101.8	103.0	105.1	106.6	103.7	106.1	106.4	103.7	104.4	97.0	91.6	- 7.3
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	124.3	122.3	120.5	124.2	126.8	128.9	126.7	123.0	125.9	127.2	121.2	115.4	116.1	- 6.2
35-54	122.6	118.8	121.1	115.9	122.8	121.7	119.8	115.2	115.1	115.5	112.5	105.8	107.8	- 5.7
55 and over	113.6	109.5	106.9	110.4	102.6	111.9	100.8	109.1	109.0	103.7	105.3	96.5	91.2	- 8.9
Present Situation														
Under 35	143.6	138.1	144.3	136.3	145.6	146.3	143.7	141.3	142.6	144.7	130.4	129.7	136.9	- 7.4
35-54	139.1	137.5	143.6	141.9	142.7	142.2	138.0	125.7	131.9	133.3	126.5	119.6	133.9	- 2.8
55 and over	136.6	133.6	131.8	132.9	122.7	137.2	121.2	131.7	126.5	121.4	122.1	114.6	109.8	- 8.7
Expectations														
Under 35	111.4	111.7	104.6	116.2	114.4	117.4	115.4	110.8	114.8	115.6	115.2	105.8	102.1	- 5.3
35-54	111.3	106.3	106.2	98.5	109.6	108.0	107.8	108.5	103.9	103.7	103.1	96.5	90.8	- 8.1
55 and over	98.6	93.8	90.5	95.4	89.1	94.9	87.1	93.9	97.4	92.0	94.0	84.6	78.9	- 9.1
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	92.2	94.1	94.0	87.1	90.3	88.9	89.6	82.3	87.9	84.7	89.4	80.9	78.4	- 2.4
$15,000-24,999	120.6	107.6	114.3	113.0	109.0	121.7	113.5	113.0	107.3	113.4	106.6	97.6	94.4	-10.5
$25,000 and over	134.5	131.4	128.2	131.5	132.1	133.8	127.3	130.2	129.9	127.3	124.3	118.4	118.6	- 6.8
Present Situation														
Under $15,000	88.2	94.8	99.4	88.5	90.7	94.8	92.0	84.4	86.2	84.2	86.5	70.7	72.3	- 9.9
$15,000-24,999	137.2	112.4	127.0	131.0	125.1	135.3	126.6	119.2	114.1	124.7	110.4	107.6	103.1	-10.3
$25,000 and over	164.9	164.0	163.2	162.5	159.7	163.5	154.2	154.7	155.3	153.8	147.1	143.8	154.6	- 4.0
Expectations														
Under $15,000	93.8	92.9	90.2	86.2	90.4	85.1	88.2	81.3	89.4	85.2	91.8	86.9	81.0	1.5
$15,000-24,999	109.4	103.7	105.7	101.0	98.3	112.8	104.9	109.3	103.1	106.0	104.4	90.8	87.8	-11.1
$25,000 and over	114.8	110.3	105.2	110.9	113.7	113.8	109.3	113.8	112.9	109.6	108.7	101.9	95.4	- 9.0

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.



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